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SUBJECT: UN REFORM: U.S. HOSTS LUNCH TO DISCUSS WAYS FORWARD

¶1. Summary. In the latest in a series of lunches on reform in New York, Ambassadors and representatives from fourteen key countries on June 6 acknowledged that time was getting short and that it was critical to seek agreement on measures to strengthen the UN. At the lunch, hosted for the first time by the United States, many representatives emphasized that it was more important to focus on the specific reforms that could be agreed to by the end of June rather than to dwell on what will happen with the 6-month spending limit imposed by the General Assembly last December. In commenting on the U.S. nonpaper (UN Reform: A Path Forward) Pakistan's Permanent Representative said the Group of 77 and China could agree to a range of management and oversight reform measures but would not consent to give the Secretary-General more budget authority. He also foresaw little progress being made in the review of UN mandates. He and others stressed the need to have a resolution on the issue of development. The Japanese Deputy Permanent Representative expressed concern that some reforms might be held up by late issuance of reports on procurement and oversight and he rejected the proposal from members of the G-77 and China that the initial review of mandates be limited to those--about 7 percent of the total--that were more than five years old but that have not been renewed. Participants expressed appreciation to host Ambassador Mark Wallace for the U.S.' engagement and leadership; Amb. Wallace, in turn, urged colleagues to bring specific reform language and proposals to the next lunch, to be hosted by the Representative of the Republic of Korea. End summary.

¶2. The series of lunches at Le Perigord was started several months ago by the Deputy Permanent Representative of France as a way for him and his fellow Deputies to become more familiar with the UN management reform issues. Wednesday's lunch, hosted by Amb. Wallace, was attended mainly by Permanent Representatives and Deputy Permanent Representatives from Tanzania, Japan, The Netherlands, Mexico, France, Canada, Republic of Korea, Pakistan, New Zealand, United Kingdom, Singapore, China, and Austria. Also in attendance was Lars Wide, the chef de cabinet to President of the General Assembly Jan Eliasson of Sweden.

¶3. Amb. Wallace said he was pleased with the positive spirit that he detected in the U.S.' recent efforts at outreach to the President of the Group of 77 and China (see separate reporting cable) and other members. He distributed copies of the UK and U.S. nonpapers on UN reform and asked colleagues to comment. As the lunch proceeded, the following comments and responses were made.

¶4. Ambassador Akram of Pakistan, who seemed to deliver the G-77 message in the absence of the South African Permanent Representative, recommended that Member States refrain from linking proposed reforms to the spending cap even while acknowledging that all were aware of the spending cap issue. He also said that members of the Group wanted to work on a consensus outcome but were concerned that the U.S. would inject a surprise in the final stages by including additional conditions on agreements. Regarding the three "buckets" of

reform outlined in the U.S. nonpaper, Akram said it was clear that not all buckets could be filled but that movement could be achieved in several areas. In the first bucket dealing with "Modernizing the Secretariat", the element of greatest difficulty for G-77 members was increased flexibility for the Secretary-General. While the Group would also have a few

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issues with human resources management proposals once they are fully developed, other reforms including information/communications technology improvements and better financial management practices could be agreed. In the bucket labeled "Improving Oversight, Accountability and Governance", Akram said that the Group would only take issue with the issue of improved governance. He saw possibilities for agreement on proposals to strengthen OIOS, improve accountability, and create an Independent Audit Advisory Committee. The third bucket, entitled "Reviewing Mandates", was the most difficult one to achieve agreement on. It might be possible, he said, to agree to reviewing mandates older than five years and that have not been renewed; agreement on a process for continuing the mandate review into the future might also be possible. To build confidence among delegations, Akram suggested that Member States agree on two things initially: 1. a resolution on development; and 2. to allocate any savings from development mandates back into development activities.

Responding to Akram, Amb. Wallace welcomed the opportunity to build trust and assured him that the U.S. would not inject new ideas into the negotiations. He said that the U.S. understood the importance of lifting the spending cap but emphasized that countries would be judged on the reforms that are achieved and not on what happens with the spending authority. While acknowledging that U.S. domestic concerns were not problems for other Member States, he also stated that these concerns could cause problems for the UN.

15. France's Deputy Permanent Representative Duclos acknowledged the importance of building trust and said that the circulation of the U.S. nonpaper was itself a confidence building measure because many delegations had wanted to know "where the Americans are" on these issues. He said that all were aware of the cap but stressed the need to focus on the other issues of management reform. Regarding the mandate review, he said that "we should go as far as possible" but acknowledged that this was not an area where much progress could be made. As for the proposal for increased flexibility for the Secretary General, Duclos said that it was not so much a transfer of power from the Fifth Committee to the Secretariat as it was a measure to instill greater efficiency

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in managing the Organization. The way to bridge this, he suggested, was to balance the flexibility with accountability requirements. He said that since in the final negotiation states there are usually only a handful of countries in the Fifth Committee, perhaps it would help to designate some smaller groups upfront to work on possible language. Duclos said that western countries should accept the G-77 proposal to concentrate initially on the 7 percent of mandates that had not been renewed. He also signaled that a resolution on development was possible.

16. Singapore's Permanent Representative Vanu Menon expressed appreciation to the U.S. for its leadership on the issue of UN reform. He said that the elements in the nonpaper seemed quite sensible on the surface but remarked that the "devil was in the details." The proposal to grant the Secretary-General more authority to transfer resources raised

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special concerns that development activities would be short-changed but he suggested that some accountability mechanisms could be created to address this. Menon said that things should not be rushed, that it was important to look carefully at the reports and see what would be possible by

the end of June. Like others, he advocated that the mandate review start with the 7 percent of mandates not renewed and work on the rest later.

Canadian Ambassador Allan Rock asked whether the G-77 would agree to review the other 93 percent of mandates later. Menon said he thought it possible to do the first set during the 61st GA and to continue in the next session. He also warned against "tying the hands" of the next Secretary-General by imposing requirements and changes that

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might not suit him or her.

¶7. The Deputy Permanent Representative of the United Republic of Tanzania, Tuvako Manongi, said that the disparate positions of members states could be bridged only through a process of reaching out and identifying areas of possible agreement. He said that while he understood that the U.S. has pressing domestic issue, other countries do too.

¶8. Ambassador Rosemary Banks of New Zealand told her colleagues that she was relieved now that they were able to talk about UN reform more specifically. She said that she looked forward to proposals and positions from both the European Union and the G-77. While the UK and U.S. nonpapers seemed to have common elements, in other ways they were not matched because the U.S. paper was less specific. She disagreed with those who believed that certain reform proposals should wait until the new Secretary-General was installed and said that there was a need to find a balance between flexibility and accountability.

¶9. The newly arrived Deputy Permanent Representative from the UK, Karen Pierce, explained that her Ambassador's nonpaper did not contain hard and fast proposals but was merely an enumeration of possible elements. She also recalled the well-known management principle that it was important to make difficult changes when there is an outgoing leader.

¶10. The Dutch Deputy Permanent Representative, Arjan Hamburger, remarked about the growing distrust between groups and countries, saying that it needed to be addressed. He emphasized that reforms were not needed to cut the budget but rather to ensure that the budget was used properly. Hamburger said that all countries should agree to lift the budget cap but also to implement substantial reform. The development resolution, which is a separate issue, should also be agreed to soon.

¶11. Korea's Permanent Representative, Young-jin Choi, welcomed the U.S. engagement on management reform, which he said was not the case with the human rights council discussions. Like others, Choi said it was more important to focus on the specific reform proposals than on the spending cap. He said that he was not very optimistic about the chances for success and disagreed with others about the issue of distrust. Instead, Choi indicated that the primary issues were ones of substance and had to do with increased

flexibility for the Secretary-General, the role of the Fifth Committee, and the need for the mandate review. He said that the UN will face a crisis unless solutions are found.

¶12. Austria's expert representative, Enno Drofenik, said that there was little point in focusing on the spending cap because it would be lifted one way or the other. He informed the group that EU was working on position papers that should be ready next week. Regarding two reform issues: Drofenik said that the General Assembly had already given the Secretary-General limited budget discretion that now needs to

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be implemented; he also said that the Fifth Committee will take up the issue of accountability in a big way this fall when it considers the Secretary-General's proposals for improving the administration of justice in the Secretariat.

¶13. Mexico's Deputy Permanent Representative, Juan Manuel Robledo, expressed appreciation for the U.S. engagement on management reform issues and said that he agreed with Amb. Menon of Singapore about the value of the overarching goals as well as the need to study the details. He added his support to those who advocated using the 7 percent of nonrenewed mandates as the starting point for the review. Robledo said that, while he had no recipe for eliminating the distrust, Member States would get nowhere without agreements on development and ECOSOC reform.

¶14. Japan's Ambassador Ozawa said he was very encouraged by the more moderate tone struck by South Africa and Egypt earlier in the week during the mandate review meeting. He expressed concern that late submission of reports on procurement reform and oversight would adversely affect Member States' ability to agree on a comprehensive package. On the issue of budgetary flexibility for the Secretary-General, Ozawa indicated that the proposed

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discretion of 10 percent was too high and that such a measure could start with a rate of 1 or 2 percent as an experiment. He disagreed with France and others who advocate the 7 percent of nonrenewed mandates as a starting point for the mandate review, indicating that there was little to be achieved in reviewing these mandates. He also said that it was extremely important to show tangible examples of success at the end of June and then beyond.

¶15. Chinese Deputy Permanent Representative Yishan Zhang cautioned against adhering to strict time limits for achieving reform, saying that the UN's 60 years of practices could not be changed in a few months. He expressed support for the use of the 7 percent of nonrenewed mandates to start the mandate review and warned that there would not be a consensus on the spending cap in June like there was last December. He acknowledged that the largest contributor paid 22 percent of the budget but stressed that those who pay the other 78 percent need to be considered too.

¶16. Ambassador Lars Wide of the PGA's office provided a brief status report on reform items and stressed that everything needed to be pulled together in a few weeks. He said President Eliasson stood ready to help.

¶17. In closing, Amb. Wallace said that there would not be a UN crisis due to the spending cap because it would be lifted one way or another. He emphasized the need for a commitment to making progress on reform and urged colleagues to come to the next lunch, hosted by Korea, with specific proposals.

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